

FISCAL NOTE

SB 3780 - HB 3778

February 24, 2008

SUMMARY OF BILL: Requires the licensing of mortgage originators and requires mortgage services licensees to satisfy continuing education requirements.

ESTIMATED FISCAL IMPACT:

**Increase State Revenue - \$1,100,000/One-Time
\$5,500,000/Recurring**

**Increase State Expenditures - \$6,000/One-Time
\$244,100/Recurring**

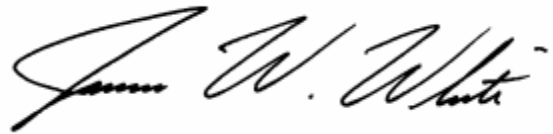
Assumptions:

- Currently, mortgage loan originators must be registered with the Department of Financial Institutions.
- The number of mortgage loan originators currently registered with the Department would satisfy the criteria for obtaining a license and would apply for a license in the first year and would renew the licenses in succeeding years.
- The current number of mortgage loan originators is approximately 11,000.
- The initial licensing fee is \$500 plus a one-time \$100 investigation fee.
- First year revenue is estimated to be \$6,600,000 (11,000 originator applicants x \$600 (\$500 initial license fee + \$100 investigation fee)).
- The annual license renewal fee is \$500. If all originators renew each year, the recurring revenue in the second and succeeding years is estimated to be approximately \$5,500,000 (11,000 originator applicants x \$500 license renewal fee).
- According to the Department of Financial Institutions, four additional Financial Analysts would be required in order to process the additional applications and analyze the additional financial data.
- Costs associated with the four additional positions are estimated to be one-time costs of \$6,000 for equipment and training; and recurring costs of \$244,125 (\$238,125 for salaries and benefits and \$6,000 for communications).

It should be noted that the *Mortgage Act* currently specifies that licenses and certificates of registration expire at the close of business on December 31 of each year unless renewed, and renewal applications must be filed on or before December 1 of each year.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, reading "James W. White". The signature is fluid and cursive, with the first name "James" and last name "White" clearly legible, and "W." in the middle.

James W. White, Executive Director

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